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82 Farm-Mortgage Lending

U. S. DEPT. OF AGRICULTURE
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Experience of 20 Life Insurance Companies,
Federal Land Banks, and
Farmers Home Administration

OCTOBER THROUGH DECEMBER 1962

CURRENT SERIAL RECORDS

Farm Production Economics Division, Economic Research Service, USDA

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In the fourth quarter of 1962, the dollar volume of loans made by the three reporting lender groups--the Federal land banks, 20 life insurance companies, and the Farmers Home Administration (direct loans)--totalled \$378 million. This was 21 percent more than in the corresponding quarter a year earlier. Lending volume of FHA more than doubled, life insurance loans were up 13 percent, and Federal land bank lending increased 2 percent.

The exceptionally large volume of lending by FHA resulted from an accumulation of backlog demands for rural housing loans and a large volume of commitments in the previous quarter. Of the \$80 million in direct loans made during the fourth quarter, \$78 million was for rural housing, including loans on nonfarm properties. Commitments for rural housing loans during the quarter dropped to \$21 million from \$100 million.

In all of 1962, loans made by the three lenders increased 12 percent over the 1961 total. Outstanding mortgage debt held by these lenders increased 9 percent, similar to the substantial rise that occurred during 1961. In 1962, outstanding loans held by the Federal land banks increased 8 percent, loans by the reporting life insurance companies 7 percent, and those of the Farmers Home Administration 28 percent. During 1962, the volume of loans with interest overdue, or in foreclosure, remained very small.

Federal land bank loan closings increased only 2 percent in 1962 from the high 1961 volume. The rate of repayments on outstandings increased to 8.9 percent from 8.4 percent in 1961. The average size of new loans made during 1962 was \$14,030--9 percent larger than in 1961.

The dollar amount of loans closed by the 20 reporting life insurance companies in 1962 was 12 percent higher than in 1961. Average size of new loan, at \$25,590, was up 8 percent. The rate of repayment on outstanding loans remained unchanged at 10.8 percent. A slightly lower percent of life insurance company loan commitments was for refinancing loans and a larger percent was for real estate purchase than in 1961.

The dollar amount of FHA direct loans made in 1962 increased 72 percent from the previous year. Only \$18 million or 10 percent of these loans were for farm ownership, the remainder for rural housing. Nearly three-fourths of

the rural housing loans made in the last half of 1962 were to nonfarm rural residents. Lending to nonfarm rural residents was started in October 1961.

FHA insured loans to individuals also were made in large volume during 1962. (The tables in this report include only FHA direct loans--not insured loans.) On January 1, 1963, insured loans outstanding were \$413 million, an increase of \$179 million or 77 percent during 1962.

Interest rate charged by life insurance companies on their farm mortgage loan commitments in the fourth quarter of 1962 was 5.78 percent, very little changed from the rate prevailing in the third quarter or a year earlier. Two Federal land banks announced temporary rate reductions from the 5 1/2 percent contract rate--one to 5 percent effective December 1, 1962, and one to 5.2 percent effective January 1, 1963.

The following tables compare farm mortgage lending activity of the three lender groups for different periods of 1961 and 1962.

Table 1.--Life insurance companies: Farm-mortgage loans, 20 companies, United States, selected quarters, 1961 and 1962

Item	Quarter ending--			Percentage change, quarters ending--	
	Dec. 31, 1961	Sept. 30, 1962	Dec. 31, 1962	Dec. 31, 1961, and Dec. 31, 1962	Sept. 30 and Dec. 31, 1962
<u>Beginning of Quarter</u>				Percent	Percent
Mortgages owned:					
Number-----	193,775	193,010	193,066	-0.4	1/
Principal indebtedness:					
Total-----1,000 dollars--	2,924,325	3,072,989	2/ 3,129,943	7.0	1.9
Average-----dollars--	15,090	15,920	16,210	7.4	1.8
<u>During Quarter</u>					
Mortgages acquired:					
Number-----	3,406	2,966	3,528	3.6	18.9
Principal indebtedness:					
Total 3/-----1,000 dollars--	100,221	88,014	113,143	12.9	28.6
Average 4/-----dollars--	25,140	26,170	26,790	6.6	2.4
Increase in principal of mortgages already owned 4/-----1,000 dollars--	19,350	18,605	22,465	16.1	20.7
Payments on principal of mortgages:					
Mortgages paid in full:					
Number-----	3,917	2,904	4,001	2.1	37.8
Amount:					
Total 5/-----1,000 dollars--	39,541	29,840	39,227	-8.8	31.5
Average 6/-----dollars--	9,090	9,580	8,770	-3.5	-8.5
Other 6/-----1,000 dollars--	40,114	19,198	42,345	5.6	120.6
Total-----do-----	79,655	49,038	81,572	2.4	66.3
Percent of principal indebtedness, beginning of quarter-----	2.7	1.6	2.6	---	---
Mortgages on farm properties acquired by foreclosure and voluntary conveyance:					
Number-----	1	7	8	7/	14.3
Principal indebtedness:					
Total-----1,000 dollars--	19	628	220	7/	-65.0
Average-----dollars--	19,000	8/ 11,330	27,500	44.7	142.7
<u>End of Quarter</u>					
Mortgages owned:					
Number 9/-----	193,270	193,066	192,571	-.4	-.3
Principal indebtedness:					
Total-----1,000 dollars--	2,964,222	3,129,942	3,183,759	7.4	1.7
Average-----dollars--	15,340	16,210	16,530	7.8	2.0
Mortgages in process of foreclosure:					
Number-----	66	106	59	-10.6	-44.3
Percent of total-----	1/	.1	1/	---	---
Principal indebtedness--1,000 dollars--	1,176	2,449	1,502	27.7	-38.7
Percent of total-----	1/	.1	1/	---	---
Mortgages with interest overdue more than 3 months:					
Number-----	158	367	184	16.5	-49.9
Percent of total-----	.1	.2	.1	---	---
Principal indebtedness--1,000 dollars--	3,490	8,550	10,503	200.9	22.8
Percent of total-----	.1	.3	.3	---	---
Mortgage-loan commitments during quarter:					
Number-----	5,439	4,487	5,767	6.0	28.5
Amount:					
Total-----1,000 dollars--	166,377	155,301	191,099	13.5	23.1
Average-----dollars--	30,960	34,610	33,140	7.0	-4.2

1/ Less than 0.05 percent. 2/ Because of consolidation and/or splitting of loans, there was a net increase of \$1,000 from the amount reported at the end of the preceding quarter. 3/ Includes increase in principal indebtedness of mortgages already owned for 2 companies. 4/ 18-company data; excludes the 2 companies that did not separate principal of farm mortgages acquired and increase in principal of mortgages already owned. 5/ Includes principal payments on farm mortgages not paid in full for 2 companies. 6/ 18-company data; excludes the 2 companies that did not separate principal payments on mortgages paid in full from payments on other mortgages not paid in full. 7/ More than 500 percent. 8/ Excludes 1 large loan. 9/ Because of consolidation and/or splitting of loans, there was a net increase of 7 loans in the 4th quarter of 1961, 1 loan in the 3d quarter of 1962, and a net decrease of 14 loans in the 4th quarter of 1962.

Table 2.--Life insurance companies: Purposes of farm-mortgage-loan commitments, 19 companies, United States, selected quarters, 1961 and 1962

Item	Quarter ending--				
	Dec. 31,	Mar. 31,	June 30,	Sept. 30,	Dec. 31,
	1961	1962	1962	1962	1962
	1,000	1,000	1,000	1,000	1,000
	dollars	dollars	dollars	dollars	dollars
Amount of commitments-----	168,329	187,985	153,818	155,281	190,821
Percentage of total funds committed for--	Percent	Percent	Percent	Percent	Percent
Farm real estate purchases----	34.0	30.0	32.5	35.2	36.7
Refinancing <u>1</u> /--					
Mortgages held by--					
Own company-----	20.2	25.4	22.2	18.9	20.2
Others-----	13.8	13.2	11.9	13.8	11.9
Total-----	34.0	38.6	34.1	32.7	32.1
Other indebtedness-----	18.6	16.4	18.7	15.3	16.9
Total refinancing----	52.6	55.0	52.8	48.0	49.0
Repairs and improvements to land and buildings-----	6.1	6.4	7.2	10.1	7.3
Other purposes:					
Known-----	7.3	8.6	7.5	6.7	7.0
Unknown-----	<u>2</u> /	<u>2</u> /	<u>2</u> /	0	<u>2</u> /
All purposes-----	100.0	100.0	100.0	100.0	100.0

1/ Distribution between mortgages held by own company and by others estimated for 2 companies; distribution of debt refinancing between real estate mortgages held by others and other indebtedness estimated for another.

2/ Less than 0.05 percent.

Table 3.--Life insurance companies: Farm-mortgage loans, 20 companies, United States, Jan. 1 through Dec. 31, 1961 and 1962

Item	1961	1962	Percentage change
<u>Beginning of Period</u>			<u>Percent</u>
Mortgages owned:			
Number-----	193,969	<u>1/</u> 193,271	-0.4
Principal indebtedness:			
Total-----1,000 dollars--	2,783,056	2,964,222	6.5
Average-----dollars--	14,350	15,340	6.9
<u>During Period</u>			
Mortgages acquired:			
Number-----	14,316	14,989	4.7
Principal indebtedness:			
Total <u>2/</u> -----1,000 dollars--	407,220	454,675	11.7
Average <u>3/</u> -----dollars--	23,630	25,590	8.3
Increase in principal of mortgages already owned <u>3/</u> -----1,000 dollars--	75,955	86,659	14.1
Payments on principal of mortgages:			
Mortgages paid in full:			
Number-----	14,998	15,631	4.2
Amount:			
Total <u>4/</u> -----1,000 dollars--	163,441	176,445	8.0
Average <u>5/</u> -----dollars--	9,550	9,930	4.0
Other <u>5/</u> -----1,000 dollars--	137,844	144,473	4.8
Total-----do-----	301,285	320,918	6.5
Percent of principal indebtedness, beginning of period-----	10.8	10.8	---
Mortgages on properties acquired by foreclosure and voluntary conveyance:			
Number-----	13	21	61.5
Principal indebtedness:			
Total-----1,000 dollars--	724	892	23.2
Average <u>6/</u> -----dollars--	14,000	16,600	18.6
<u>End of Period</u>			
Mortgages owned:			
Number <u>7/</u> -----	193,270	192,571	-.4
Principal indebtedness:			
Total-----1,000 dollars--	2,964,222	<u>8/</u> 3,183,759	7.4
Average-----dollars--	15,340	16,530	7.8
Mortgages in process of foreclosure:			
Number-----	66	59	-10.6
Percent of total-----	<u>2/</u>	<u>2/</u>	---
Principal indebtedness-----1,000 dollars--	1,176	1,502	27.7
Percent of total-----	<u>2/</u>	<u>2/</u>	---
Mortgages with interest overdue more than 3 months:			
Number-----	158	184	16.5
Percent of total-----	.1	.1	---
Principal indebtedness-----1,000 dollars--	3,490	10,503	200.9
Percent of total-----	.1	.3	---
Mortgage-loan commitments during period:			
Number-----	20,929	21,456	2.5
Amount:			
Total-----1,000 dollars--	614,059	688,245	12.1
Average-----dollars--	29,340	32,080	9.3

1/ Because of consolidation and/or splitting of loans, there was a net increase of 1 loan from the number reported at the end of the preceding period. 2/ Includes increase in principal indebtedness of mortgages already owned for 2 companies. 3/ 18-company data; excludes the 2 companies that did not separate principal of farm mortgages acquired and increase in principal of mortgages already owned. 4/ Includes principal payments on farm mortgages not paid in full for 2 companies. 5/ 18-company data; excludes the 2 companies that did not separate principal payments on mortgages paid in full from payments on other mortgages not paid in full. 6/ Excludes 2 large loans in 1961 and 1 large loan in 1962. 7/ Because of consolidation and/or splitting of loans, there was a net decrease of 4 loans during 1961 and 37 loans during 1962. 8/ There was a net increase of \$13,000 during the period because of consolidation and/or splitting of loans. 9/ Less than 0.05 percent.

Table 4.--Life insurance companies: Purposes of farm-mortgage-loan commitments, 19 companies, United States, 1961 and 1962

Item	Year ending--	
	Dec. 31, 1961	Dec. 31, 1962
	Percent	Percent
Farm real estate purchases-----	31.6	33.6
Refinancing <u>1</u> /--		
Mortgages held by--		
Own company-----	20.5	21.8
Others-----	13.2	12.7
Total-----	33.7	34.5
Other indebtedness-----	19.1	16.8
Total refinancing-----	52.8	51.3
Repairs and improvements to land and buildings-----	6.9	7.6
Other purposes:		
Known-----	8.7	7.5
Unknown-----	<u>2</u> /	<u>2</u> /
All purposes-----	100.0	100.0

1/ For 2 companies, distribution between mortgages held by own company and by others is estimated; for another, distribution of debt refinancing between real estate mortgages held by others and other indebtedness is estimated.

2/ Less than 0.05 percent.

Table 5.--Life insurance companies: Interest rates on farm-mortgage-loan commitments, Oct. 1 through Dec. 31, 1962 1/

Interest rate	Loans		Amount		Average size of loan
	Number	Percentage distribution	Total	Percentage distribution	
		Percent	Dollars	Percent	Dollars
5 percent or less-----	10	0.4	191,500	0.2	19,150
5 1/4 percent-----	31	1.2	2,334,200	2.3	75,300
5 1/2 percent-----	952	35.9	27,924,982	27.6	29,330
5 3/4 percent-----	567	21.4	24,245,140	24.0	42,760
6 percent-----	949	35.8	39,292,451	38.8	41,400
6 1/4 percent-----	70	2.6	3,724,825	3.7	53,210
6 1/2 percent-----	65	2.4	2,861,060	2.8	44,020
6 3/4 percent and over-----	9	.3	599,500	.6	66,610
Total or average-----	2,653	100.0	101,173,658	100.0	38,140

1/ The weighted average interest rate, based on 3,346 loans and a total amount committed of \$116,564,658, is 5.782 percent. Two companies did not report interest rates.

Table 6.--Federal land banks: Farm-mortgage loans, United States, July 1, 1961, through Dec. 31, 1962 ^{1/}

Item	6 months ending--			Percentage change, 6 months ending--	
	Dec. 31, 1961	June 30, 1962	Dec. 31, 1962	Dec. 31, 1961, and Dec. 31, 1962	June 30, and Dec. 31, 1962
				Percent	Percent
<u>Beginning of Period</u>					
Loans outstanding: ^{2/}					
Number-----	379,958	379,940	381,147	0.3	0.3
Principal indebtedness:					
Total-----1,000 dollars--	2,727,547	2,827,973	2,968,438	8.8	5.0
Average-----dollars--	7,180	7,440	7,790	8.5	4.7
<u>During Period</u>					
Loans made: ^{3/}					
Number-----	22,170	24,559	21,407	-3.4	-12.8
Principal indebtedness:					
Total-----1,000 dollars--	289,250	346,850	297,857	3.0	-14.1
Average-----dollars--	13,050	14,120	13,910	6.6	-1.5
Other increases: ^{4/}					
Number-----	64	63	59	-7.8	-6.3
Amount:					
Total-----1,000 dollars--	639	889	776	21.4	-12.7
Decreases:					
Principal repayments: ^{5/}					
Total-----1,000 dollars--	115,647	120,490	131,700	13.9	9.3
Percent of unpaid principal, beginning of period-----	4.2	4.3	4.4	---	---
Other: ^{6/}					
Number-----	10,334	11,566	10,798	4.5	-6.6
Amount:					
Total-----1,000 dollars--	73,816	86,784	83,398	13.0	-3.9
Average-----dollars--	7,140	7,500	7,720	8.1	2.9
Paid in full:					
Number-----	11,918	11,849	12,061	1.2	1.8
Farm properties acquired by foreclosure and voluntary conveyance:					
Number-----	17	26	14	-17.6	-46.2
Principal indebtedness:					
Total-----1,000 dollars--	119	192	197	65.5	2.6
Average-----dollars--	7,000	7,380	14,070	101.0	90.7
<u>End of Period</u>					
Loans outstanding: ^{2/}					
Number-----	379,940	381,147	379,754	^{7/}	-.4
Principal indebtedness:					
Total-----1,000 dollars--	2,827,973	2,968,438	3,051,973	7.9	2.8
Average-----dollars--	7,440	7,790	8,040	8.1	3.2
Delinquent or extended:					
Number-----	20,747	15,028	19,204	-7.4	27.8
Percent of total-----	5.5	3.9	5.1	---	---
Matured principal unpaid:					
Total-----1,000 dollars--	5,553	3,602	5,456	-1.7	51.5
Average-----dollars--	270	240	280	3.7	16.7
Called for foreclosure:					
Number-----	189	178	248	31.2	39.3
Principal indebtedness:					
Total-----1,000 dollars--	1,034	1,149	1,602	54.9	39.4
Average-----dollars--	5,470	6,460	6,460	18.1	0
Farm Properties owned:					
Number-----	27	35	39	44.4	11.4
Principal indebtedness:					
Total-----1,000 dollars--	263	310	362	37.6	16.8
Average-----dollars--	9,740	8,860	9,280	-4.7	4.7

^{1/} Includes Puerto Rico and Alaska. ^{2/} Excludes loans called for foreclosure. ^{3/} Gross number and amount of all loans made including new loans which replaced old loans, and loans canceled prior to disbursement of loan proceeds. ^{4/} Increase in number or amount of loans, or both, by reason of reamortization, reinstatements, and so on. ^{5/} Consists of principal matured and paid in advance, special principal payments and loans paid off prior to maturity, plus net decrease or minus net increase in principal matured and unpaid during period. Principal matured and unpaid was \$5,552,645 on Dec. 31, 1961, \$3,601,983 on June 30, 1962, and \$5,455,835 on Dec. 31, 1962. ^{6/} Includes loans replaced by new loans, loans canceled prior to disbursement of loan proceeds, loans canceled by deed, loans called for foreclosure, and loans charged off. ^{7/} Less than 0.05 percent.

Farm Credit Administration - Accounting and Budget Division.

Table 7.--Federal land banks: Interest rates charged by districts, Dec. 31, 1962

District	Rate	Effective date
	<u>Percent</u>	
Springfield-----	5.75	Mar. 27, 1961
Baltimore-----	6.00	Sept. 1, 1959
Columbia-----	<u>1/</u> 5.50	July 1, 1961
Louisville-----	5.50	Jan. 1, 1961
New Orleans-----	5.50	Jan. 2, 1961
St. Louis-----	5.50	Jan. 1, 1961
St. Paul-----	5.50	Jan. 3, 1961
Omaha-----	5.50	Mar. 24, 1961
Wichita-----	5.50	Jan. 3, 1961
Houston-----	<u>2/</u> 5.00	Dec. 1, 1962
Berkeley-----	<u>3/</u> 5.50	Apr. 1, 1961
Spokane-----	5.50	Apr. 1, 1961

1/ New loans are written at 6 percent but borrowers are currently charged 5.50 percent.

2/ New loans are written at 5.50 percent but borrowers are currently charged 5 percent.

3/ Beginning Jan. 1, 1963, new loans will be written at 5.50 percent but borrowers will be charged a temporary rate of 5.2 percent.

Farm Credit Administration.

Table 8.--Federal land banks: Farm-mortgage loans, United States, 1961 and 1962 1/

Item	1961	1962	Percentage change
<u>Beginning of Period</u>			<u>Percent</u>
Loans outstanding: 2/			
Number-----	375,868	379,940	1.1
Principal indebtedness:			
Total-----1,000 dollars--	2,563,772	2,827,973	10.3
Average-----dollars--	6,820	7,440	9.1
<u>During Period</u>			
Loans made: 3/			
Number-----	49,216	45,966	-6.6
Principal indebtedness:			
Total-----1,000 dollars--	632,517	644,707	1.9
Average-----dollars--	12,850	14,030	9.2
Other increases: 4/			
Number-----	154	122	-20.8
Amount:			
Total-----1,000 dollars--	1,599	1,665	4.1
Decreases:			
Principal repayments: 5/			
Total-----1,000 dollars--	215,657	252,190	16.9
Percent of unpaid principal, beginning of period--	8.4	8.9	---
Other: 6/			
Number-----	22,316	22,364	.2
Amount:			
Total-----1,000 dollars--	154,258	170,182	10.3
Average-----dollars--	6,910	7,610	10.1
Paid in full:			
Number-----	22,982	23,910	4.0
Farm properties acquired by foreclosure and voluntary conveyance:			
Number-----	46	40	-13.0
Principal indebtedness:			
Total-----1,000 dollars--	440	389	-11.6
Average-----dollars--	9,570	9,730	1.7
<u>End of Period</u>			
Loans outstanding: 2/			
Number-----	379,940	379,754	7/
Principal indebtedness:			
Total-----1,000 dollars--	2,827,973	3,051,973	7.9
Average-----dollars--	7,440	8,040	8.1
Delinquent or extended:			
Number-----	20,747	19,204	-7.4
Percent of total-----	5.5	5.1	---
Matured principal unpaid:			
Total-----1,000 dollars--	5,553	5,456	-1.7
Average-----dollars--	270	280	3.7
Called for foreclosure:			
Number-----	189	248	31.2
Principal indebtedness:			
Total-----1,000 dollars--	1,034	1,602	54.9
Average-----dollars--	5,470	6,460	18.1
Farm properties owned:			
Number-----	27	39	44.4
Principal indebtedness:			
Total-----1,000 dollars--	263	362	37.6
Average-----dollars--	9,740	9,280	-4.7

1/ Includes Puerto Rico and Alaska. 2/ Excludes loans called for foreclosure. 3/ Gross number and amount of all loans made including new loans that replaced old loans, and loans canceled prior to disbursement of loan proceeds. 4/ Increase in number or amount of loans, or both, by reason of reamortizations, reinstatements, and so on. 5/ Consists of principal matured and paid in advance, special payments and loans paid off prior to maturity, plus net decrease or minus net increase in principal matured and unpaid during period. Principal matured and unpaid was \$5,142,804 on Dec. 31, 1960, \$5,552,645 on Dec. 31, 1961, and \$5,455,835 on Dec. 31, 1962. 6/ Includes loans replaced by new loans, loans canceled prior to disbursement of loan proceeds, loans canceled by deed, loans called for foreclosure, and loans charged off. 7/ Less than 0.05 percent.

Farm Credit Administration - Accounting and Budget Division.

Table 9.--Farmers Home Administration: Direct farm-ownership and rural-housing loans, United States, selected quarters, 1961 and 1962 ^{1/}

Item	Quarter ending--			Percentage change, quarters ending--	
	Dec. 31, 1961	Sept. 30, 1962	Dec. 31, 1962	Dec. 31, 1961, and Dec. 31, 1962	Sept. 30 and Dec. 31, 1962
<u>Beginning of Quarter</u>				Percent	Percent
Mortgages owned:					
Number-----	68,048	75,614	78,564	15.5	3.9
Principal indebtedness-----1,000 dollars--	515,958	588,225	623,066	20.8	5.9
<u>During Quarter</u>					
Mortgages acquired:					
Number-----	2,737	3,614	8,012	192.7	121.7
Principal indebtedness-----1,000 dollars--	32,760	39,730	79,310	142.1	99.6
Increase in principal of mortgages already owned-----1,000 dollars--	2,109	1,207	967	-54.1	-19.9
Payments on principal of mortgages:					
Mortgages paid in full:					
Number-----	712	635	835	17.3	31.5
Amount-----1,000 dollars--	2,752	2,906	3,815	38.6	31.3
Other-----do-----	5,555	3,037	6,899	24.2	127.2
Total-----do-----	8,307	5,943	10,714	29.0	80.3
Percent of principal indebtedness, beginning of quarter-----	1.6	1.0	1.7	---	---
Mortgages on farm properties acquired by foreclosure and voluntary conveyance:					
Number-----	32	29	23	-28.1	-20.7
Principal indebtedness-----1,000 dollars--	206	153	180	-12.6	17.6
<u>End of Quarter</u>					
Mortgages owned:					
Number-----	70,041	78,564	85,718	22.4	9.1
Principal indebtedness-----1,000 dollars--	542,314	623,066	692,449	27.7	11.1
Mortgages behind schedule in regard to amortization payments:					
Number-----	2,840	4,107	2,755	-3.0	-32.9
Percent of total-----	4.1	5.2	3.2	---	---
Principal indebtedness-----1,000 dollars--	24,725	35,902	24,964	1.0	-30.5
Percent of total-----	4.6	5.8	3.6	---	---
Mortgages in process of foreclosure:					
Number-----	78	68	67	-14.1	-1.5
Percent of total-----	.1	.1	.1	---	---
Principal indebtedness-----1,000 dollars--	831	695	709	-14.7	2.0
Percent of total-----	.2	.1	.1	---	---
Mortgage-loan commitments during quarter: ^{2/}					
Farm-ownership loans: ^{3/}					
Number-----	114	87	85	-25.4	-2.3
Amount:					
Total-----1,000 dollars--	1,488	662	632	-57.5	-4.5
Average-----dollars--	13,050	7,610	7,440	-43.0	-2.2
Rural-housing loans: ^{4/}					
Number-----	3,357	10,055	2,335	-30.4	-76.8
Amount:					
Total-----1,000 dollars--	27,835	100,277	21,175	-23.9	-78.9
Average-----dollars--	8,290	9,970	9,070	9.4	-9.0

^{1/} Data for 48 States only. Beginning Oct. 1961, the rural-housing loan program was expanded, under the provisions of Public Law 87-70 of the 87th Congress, to include loans on rural nonfarm residences. Separate data for farm-ownership and rural-housing loans are available upon request. ^{2/} Initial loans obligated. ^{3/} The interest rate on these loans is 5 percent. ^{4/} The interest rate on these loans is 4 percent.

Farmers Home Administration.

Table 10.--Farmers Home Administration: Purposes of farm-mortgage-loan commitments, direct farm-owner-ship loans, United States, selected periods, 1960 through 1962 1/

Item	July 1 to Dec. 31, 1960	July 1 to Dec. 31, 1961	July 1 to Dec. 31, 1962
	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
Percentage of total funds committed for--			
Farm real estate purchases	42	38	39
Refinancing--			
Mortgages held by--			
Farmers Home Administration	1	0	0
Others	33	38	30
Total	34	38	30
Other indebtedness	6	5	0
Total refinancing	40	43	30
Repairs and improvements to land and buildings	17	18	30
Other purposes:			
Known	1	1	1
Unknown	0	0	0
All purposes	100	100	100

1/ Data for 48 States only.

Farmers Home Administration.

Table 11.--Farmer Home Administration: Direct farm-ownership and rural-housing loans, United States, 1961 and 1962 ^{1/}

Item	1961	1962	Percentage change
<u>Beginning of Period</u>			<u>Percent</u>
Mortgages owned:			
Number-----	63,095	70,041	11.0
Principal indebtedness-----1,000 dollars--	464,717	542,314	16.7
<u>During Period</u>			
Mortgages acquired:			
Number-----	9,944	18,737	88.4
Principal indebtedness-----1,000 dollars--	101,556	183,525	80.7
Increase in principal of mortgages already owned-----1,000 dollars--	7,354	3,889	-47.1
Payments on principal of mortgages:			
Mortgages paid in full:			
Number-----	2,864	2,956	3.2
Amount-----1,000 dollars--	12,016	13,285	10.6
Other-----do-----	18,699	23,334	24.8
Total-----do-----	30,715	36,619	19.2
Percent of principal indebtedness, beginning of period-----	6.6	6.8	---
Mortgages on farm properties acquired by foreclosure and voluntary conveyance:			
Number-----	134	104	-22.4
Principal indebtedness-----1,000 dollars--	598	660	10.4
<u>End of Period</u>			
Mortgages owned:			
Number-----	70,041	85,718	22.4
Principal indebtedness-----1,000 dollars--	542,314	692,449	27.7
Mortgages behind schedule in regard to amortization payments:			
Number-----	2,840	2,755	-3.0
Percent of total-----	4.1	3.2	---
Principal indebtedness-----1,000 dollars--	24,725	24,964	1.0
Percent of total-----	4.6	3.6	---
Mortgages in process of foreclosure:			
Number-----	78	67	-14.1
Percent of total-----	.1	.1	---
Principal indebtedness-----1,000 dollars--	831	709	-14.7
Percent of total-----	.2	.1	---
Mortgage-loan commitments during period: ^{2/}			
Farm-ownership loans:			
Number-----	1,835	1,087	-40.8
Amount:			
Total-----1,000 dollars--	29,890	15,062	-49.6
Average-----dollars--	16,290	13,860	-14.9
Rural-housing loans:			
Number-----	10,077	17,620	74.9
Amount:			
Total-----1,000 dollars--	84,374	170,120	101.6
Average-----dollars--	8,370	9,650	15.3

^{1/} Data for 48 States only. Data for 1962 are not strictly comparable with data for 1961; beginning Oct. 1961, the rural-housing loan program was expanded, under the provisions of Public Law 87-70 of the 87th Congress, to include loans on rural nonfarm residences. Separate data for farm-ownership and rural-housing loans are available upon request.

^{2/} Initial loans obligated.

Farmer Home Administration.